



**THE STUDY OF CUSTOMER COMMITMENT ON
RELATIONSHIP QUALITY IN AGROBANK, JERANTUT**

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ABSTRACT

The purpose of the study is to investigate the customer commitment on relationship quality in Agrobank, Jerantut. This research aims to the study about the commitment among the customer to enhance relationship quality in Agrobank, Jerantut. The literature, define customer commitment as an exchange partner's willingness to maintain an important enduring relationship (Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002). In order to measure customer commitment in Agrobank, the researcher refers to loyalty and involvement elements. Loyal customer shows that they have commitment to enhance relationship quality in Agrobank. Beside that, customer involvement can show the effort of customer to maintain relationship with Agrobank. The researcher was distributed 40 questionnaires that consist of 20 questions to the respondents. Only 30 questionnaires were selected by researcher for academic purpose. From the finding most of the respondents showed that they loyal with Agrobank, but majority of them does not give involvement whether by directly or indirectly with Agrobank. In conclusion, Agrobank only used customer commitment to make them loyal with Agrobank's products and services, and ignoring the customer involvements in Agrobank's activities, products and services.

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

There is undoubtedly a growing interest in the subject of relationship marketing. The strong rivalry characterizing today's business environment has resulted to the building of stronger firm-customer relationships. Webster (1992) noted that the phenomenon described by this concept is strongly supported by on-going trends in modern business. Ndubisi (2004) reported that more and more firms are capitalizing on strong firm-customer relationship to gain invaluable information on how best to serve customers and keep them from defecting to competing brands. Hence, customer relationship building creates mutual rewards (Rapp and Collins, 1990) which benefit both the firm and the customer. By building relationship with customers, an organization can also gain quality sources of marketing intelligence for better planning of marketing strategy.

The marketing literature has theorized key virtues that underpin relationship marketing, such as trust (Morgan and Hunt, 1994; Veloutsou *et al.*, 2002), commitment (Grossman, 1998; Chan and Ndubisi, 2004), conflict handling (Dwyer *et al.*, 1987; Ndubisi and Chan, 2005), and communication or sharing of secrets (Ndubisi and Chan, 2005; Morgan and Hunt, 1994; Crosby *et al.*, 1990). These have been linked in this study to enhancing relationship quality

Despite relationship marketing foundation namely, trust, commitment, communication and conflict handling important to helping enhance firm-customer relationship quality, the researcher only want to focusing on single element. Researcher chooses commitment as a key to helping enhance relationship quality. From its root in social exchange theory